

# Hospital Energy Alliance



Renewable Energy Supplier Summit  
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Corey Zarecki  
Gundersen Lutheran  
Efficiency Improvement Leader

- Gundersen Lutheran
  - Mission: We distinguish ourselves through excellence in patient care, education, research, and improved health in the communities we serve
  - GL Health System
    - Service area: 19 counties in 3 states (WI, MN, IA)
    - Clinic founded in 1892 and hospital in 1902
    - Currently have 41 clinic facilities
    - 325-bed tertiary care hospital
    - Integrated delivery system
      - About 700 providers and nearly 7,000 employees
    - Residency and medical education programs
    - Multiple Top 100 Hospital and Service Line recognition

- Corey Zarecki
  - 15 years in industry
    - 8 years in HVAC (Trane) and 7 years in the chemical industry
      - Various roles in engineering, process improvement, customer satisfaction, and leadership
  - Last 2 years at Gundersen Lutheran
    - Healthcare process improvement opportunities
      - Reduce cost/waste
      - Improve efficiency and quality
    - Energy

- **Envision:** Gundersen Lutheran's vision for energy and environmental stewardship
  - Energy management
    - Energy efficiency
      - Already achieved 20% reduction in 18 months
      - Targeting another 10% reduction in 2010
    - Renewable energy
      - Offset the remaining energy consumption with renewable energy by 2014
        - » Path identified
        - » Some projects complete, others in various phases
  - Waste management and control
  - Recycling
  - Sustainable design of new facilities

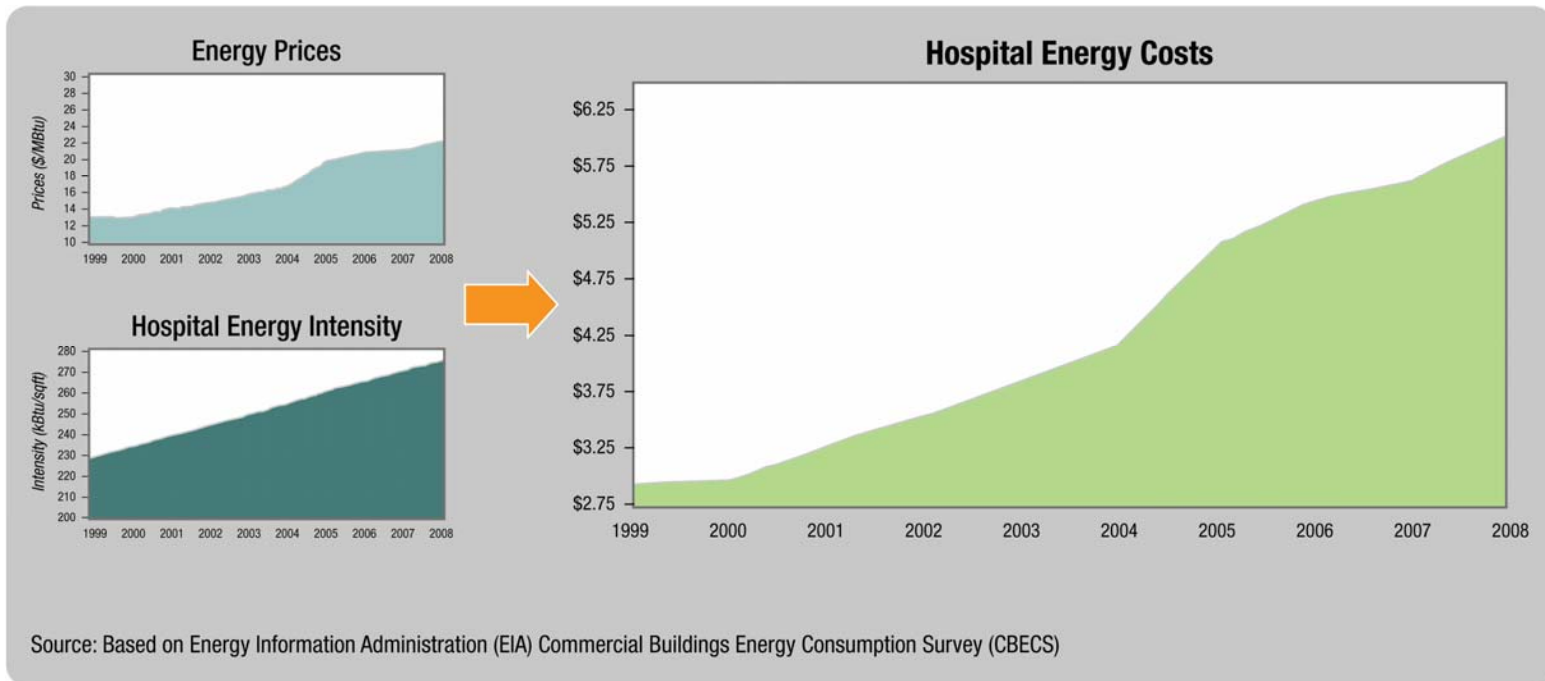
# Why Should a Healthcare System Think About Energy/Environment?

- Pollutants from the burning of fossil fuels cause cancer, liver disease, kidney disease, and reproductive issues
- According to DOE, hospitals are 2.5 times more energy intensive than other commercial buildings<sup>1</sup>
  - This is inconsistent with our mission ... we are responsible for contributing to disease through our wasteful consumption
- Energy costs continue to escalate, making it more difficult to provide affordable care
- Reducing waste results in an improved bottom line
- Typically 1-2% of operating expense

<sup>1</sup><http://www.energy.gov/news2009/7363.htm>

# Escalating Energy Costs

- Rising energy prices and the increasing energy intensity of hospitals have produced escalating energy costs
- 91% of hospitals reported higher energy costs over the previous year, and over 50% cited increases in double-digit percentages<sup>1</sup>



<sup>1</sup>ASHE survey, *Health Facilities Management Magazine*, June 2006

## Hospitals/Healthcare Facilities

- Ascension Health
- Boulder Community Hospital
- Catholic Health Initiatives
- Catholic Healthcare West \*
- Cleveland Clinic \*
- Dartmouth-Hitchcock Medical Center
- Geisinger Health System
- Gundersen Lutheran Health System \*
- Hackensack University Medical Center
- Health Care REIT
- HealthSouth
- Hospital Corporation of America \*
- Inova Health System
- Johns Hopkins Health System
- Kaiser Permanente \*
- Legacy Health System
- Metro Health Hospital
- NewYork-Presbyterian Hospital \*
- Partners HealthCare
- Providence Health & Services \*
- Rush University Medical Center
- San Luis Valley Regional Medical Center
- Texas Children's Hospital
- Texas Medical Center (TECO) \*
- TRICARE Management Activity (TMA) \*
- University of Pittsburgh Medical Center \*
- U.S. Department of Veterans Affairs \*
- Yale-New Haven Hospital

## Associations

- ASHE \*
- ASHRAE \*
- IES \*
- IFMA
- Practice Greenhealth \*
- VHA

*\*Steering Committee Member*

- Personnel (especially smaller and rural hospitals)
  - Not a lot of engineers or technical people
  - Limited training on energy efficiency or renewable energy
  - Need to maintain the comfort
- Buildings
  - Checkerboard construction/disconnected systems
    - Brand new buildings connected to 100+-year-old buildings
      - Equipment and controls that span as well
      - Need controls to talk
    - Aesthetics
  - IAQ
  - Waste Heat Recovery
  - Combined Heat and Power
    - Energy security



- Business case
  - Energy competes with other mission-critical investments
  - Little to no documented results for value on some technologies
  - Communicating payback to decision-makers
    - Personnel don't know what to ask the suppliers
    - Personnel don't know how to sell to leadership
    - Personnel don't sit in the same meetings
  - Nonprofits cannot use tax incentives
- Renewable and energy-efficiency practices
  - Not widely shared in healthcare industry
  - Many codes/regulations
  - Onsite/offsite

- Energy efficiency and renewables in the healthcare building sector
  - Tight margins elevate the importance of all controllable costs in healthcare
  - Green emphasis
  - Hospital influence/leadership in our communities
  - Energy and environmental stewardship can lower the cost of healthcare; both issues are high priorities of new administration
- Genuine partnerships with suppliers are critical to make this happen

The time is NOW!